

**PUERTO RICO TELEPHONE COMPANY
COST ALLOCATION MANUAL
SUMMARY OF REVISIONS
FEBRUARY 14, 1997**

SECTION/PAGE USOA ACCOUNT	CHANGES FROM	CHANGE TO	REASON FOR CHANGE						
VI. 25		<p>Part 32 Account No.:</p> <p>5010</p> <p>Account Description:</p> <p>Public Telephone Revenue</p> <p>Cost Pools:</p> <p>Same as Account</p> <p>Cost Pool Apportionment:</p> <p>N/A</p> <p>Regulated/Nonregulated Apportionment Basis:</p> <p>Directly assigned to nonregulated.</p>	<p>Account 5010 was removed from accounts that are directly assigned to regulated due to FCC's Order (CC Docket 96-128), which requires this account to be directly assigned to nonregulated.</p> <p>The net effect results in an estimated annual increase to nonregulated operations and an annual decrease from regulated operations as follows:</p> <table><tr><td colspan="2">Account 5010:</td></tr><tr><td>Nonregulated</td><td>\$ 12,846,542</td></tr><tr><td>Regulated</td><td>(\$ 12,846,542)</td></tr></table>	Account 5010:		Nonregulated	\$ 12,846,542	Regulated	(\$ 12,846,542)
Account 5010:									
Nonregulated	\$ 12,846,542								
Regulated	(\$ 12,846,542)								

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VI. 30 6351	<p>COST POOLS:</p> <p>1. Regulated</p> <p>2. Nonregulated</p> <p>Cost Pool Apportionment:</p> <p>Direct identification through PRTC's subaccounts detail.</p> <p>Regulated/Nonregulated Apportionment Basis:</p> <p>1. Directly assigned to regulated.</p> <p>2. Directly assigned to nonregulated.</p>	<p>Cost Pools:</p> <p>Same as account</p> <p>Cost Pool Apportionment:</p> <p>N/A</p> <p>Regulated/Nonregulated Apportionment Basis:</p> <p>Directly assigned to nonregulated.</p>	<p>Due to FCC's Payphone Services Order (CC Docket No. 96-128) which deregulated payphone services separating the provision of such service from the provision of common carrier services.</p> <p>The net effect results in an estimated annual increase to nonregulated operations and an annual decrease from regulated operations as follows:</p> <p>Account 6351:</p> <table><tr><td>Nonregulated</td><td>\$ 7,400,527</td></tr><tr><td>Regulated</td><td>(\$ 7,400,527)</td></tr></table>	Nonregulated	\$ 7,400,527	Regulated	(\$ 7,400,527)
Nonregulated	\$ 7,400,527						
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VI. 41 6623	Cost Pools: 27. Public Phones Regulated/Nonregulated Apportionment Basis: 27. Directly assigned to regulated.	Cost Pools: 27. Public Telephone Regulated/Nonregulated Apportionment Basis: 27. Directly assigned to nonregulated.	Due to FCC's Payphone Services Order (CC Docket No. 96-128) which deregulated payphone services separating the provision of such service from the provision of common carrier services. The net effect results in an estimated annual increase to nonregulated operations and an annual decrease from regulated operations as follows: Account 6623: Nonregulated \$ 3,688,402 Regulated (\$ 3,688,402)

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SECTION/PAGE USOA ACCOUNT	CHANGES FROM	CHANGE TO	REASON FOR CHANGE
VI. 47 6726	Regulated/Nonregulated Apportionment Basis: 7. Attributed to regulated.	Regulated/Nonregulated Apportionment Basis: 7. Attributed to nonregulated.	<p>Due to FCC's Payphone Services Order (CC Docket No. 96-128) which deregulated payphone services separating the provision of such service from the provision of common carrier services.</p> <p>The net effect results in an estimated annual increase to nonregulated operations and an annual decrease from regulated operations as follows:</p> <p style="text-align: right;">Account 6726:</p> <p style="text-align: right;">Nonregulated \$ 95,788</p> <p style="text-align: right;">Regulated (\$ 95,788)</p>